

Message Text

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44

ORIGIN EB-11

INFO OCT-01 IO-14 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SPC-03 OMB-01 OIC-04 AF-10 ARA-16 EA-11 EUR-25 NEA-10

/228 R

DRAFTED BY EB/IFD/OMA:GPBALABANIS

APPROVED BY IO/CMD:JWMCDONALD, JR.

TREAS:TLEDDY

EB/IFD:SWEINTRAUB

IO/CMD:AYODER

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FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK IMMEDIATE

UNCLAS STATE 234230

E.O. 11652:N/A

TAGS: UN, ECOSOC, EFIN

SUBJECT: SECOND COMMITTEE, ITEM 51 - UNCTAD DRAFT
RESOLUTION

REF: USUN 5101, USUN 5145, USUN 5172

1. U.S. POSITION ON UN DRAFT MONETARY REFORM RESOLUTION
AS REPORTED REFTELS IS AS FOLLOWS: (1) WE WILL NOT
REQUEST A VOTE, BUT WILL ACQUIESCE IN ITS PASSAGE BY
CONSENSUS, WITH A STATEMENT; (2) WE WILL ABSTAIN IF
RESOLUTION COMES TO VOTE.

2. FOLLOWING IS A STATEMENT FOR USE IN EITHER CASE
(CHOOSE APPROPRIATE BRACKETED ALTERNATIVES):
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BEGIN TEXT:

THE UNITED STATES (DID NOT REQUEST A VOTE ON THIS RESOLUTION, BUT HAS ACQUIESCED IN ITS PASSAGE BY CONSENSUS. IF THE RESOLUTION HAD COME TO VOTE WE WOULD HAVE ABSTAINED) (IS ABSTAINING ON THIS RESOLUTION). WE TAKE THE POSITION THAT THE INTERNATIONAL MONETARY FUND, INCLUDING IN PARTICULAR ITS COMMITTEE ON REFORM OF THE INTERNATIONAL MONETARY SYSTEM AND RELATED ISSUES (KNOWN AS THE COMMITTEE OF TWENTY), IS THE ONLY PROPER FORUM FOR ANY AGREEMENT RELATING TO THE SUBSTANCE OF MONETARY REFORM ISSUES, OR ANY OTHER MATTERS RELATING TO THE STRUCTURE OR OPERATIONS OF THE INTERNATIONAL MONETARY FUND. (THE FULL RESPONSIBILITY OF THE COMMITTEE OF TWENTY FOR INTERNATIONAL MONETARY REFORM IS, INDEED, NOTED IN THE RESOLUTION ITSELF.) THEREFORE, OUR DECISION (TO ACQUIESCE TO THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (NOT TO VOTE AGAINST THIS RESOLUTION) CANNOT BE INTERPRETED AS REPRESENTING A UNITED STATES POSITION ON ANY SUBSTANTIVE ISSUE OF MONETARY REFORM. WE WISH TO EMPHASIZE, IN ADDITION, THAT THIS DECISION MUST NOT BE INTERPRETED TO MEAN THAT WE TAKE AN UNFAVORABLE OR PESSIMISTIC VIEW OF THE WORK OF THE COMMITTEE OF TWENTY. INDEED, WE CONSIDER THAT THE COMMITTEE OF TWENTY HAS MADE SUBSTANTIAL PROGRESS, AND WE HAVE EVERY CONFIDENCE THAT ITS WORK WILL BE CARRIED FORWARD TO A SUCCESSFUL CONCLUSION.

NEVERTHELESS, THE UNITED STATES (IS ACQUIESCING TO THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (IS NOT VOTING AGAINST THIS RESOLUTION) BECAUSE WE FIND OURSELVES IN SYMPATHY WITH THE MAIN THRUST OF MANY, ALTHOUGH NOT ALL, OF ITS RECOMMENDATIONS. FOR EXAMPLE, WE WELCOME THE INTENTION OF THE COMMITTEE OF TWENTY TO REACH AGREEMENT ON THE ISSUES OF REFORM BY JULY 31, 1974; WE HOPE THAT IT WILL SOME DAY BE POSSIBLE FOR ALL COUNTRIES TO JOIN IN THE REFORMED INTERNATIONAL MONETARY SYSTEM NOW BEING DESIGNED; WE WELCOME THE FULL AND EFFECTIVE PARTICIPATION OF ALL IMF MEMBER COUNTRIES, INCLUDING THE DEVELOPING COUNTRIES, IN THE REFORM NEGOTIATIONS; WE AGREE THAT THE REFORM SHOULD TAKE INTO ACCOUNT THE

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INTERESTS, AND THE VARYING STRUCTURAL CHARACTERISTICS, OF ALL COUNTRIES, DEVELOPED AND DEVELOPING ALIKE; WE ENDORSE THE CURRENT EXAMINATION OF PRESENT OR POTENTIAL IMF FACILITIES OF SPECIAL INTEREST TO THE DEVELOPING COUNTRIES; WE AGREE THAT FUTURE ALLOCATIONS OF SPECIAL DRAWING RIGHTS MUST BE DETERMINED ON THE BASIS OF GLOBAL LIQUIDITY NEEDS; WE SHARE THE GENERAL VIEW NOTED IN THE FIRST OUTLINE OF REFORM THAT DEVELOPING COUNTRIES OUGHT

TO BE EXEMPTED, WHEREVER POSSIBLE, FROM CONTROLS ON CAPITAL OR IMPORTS IMPOSED FOR BALANCE-OF-PAYMENTS REASONS - AND INDEED, HAVE APPLIED THIS PRINCIPLE AS FAR AS POSSIBLE IN OUR OWN CAPITAL CONTROL PROGRAMS; WE AGREE THAT THE REFORM OF THE INTERNATIONAL MONETARY SYSTEM SHOULD PROMOTE THE FLOW OF REAL RESOURCES TO THE LDC'S, AND ARE PARTICIPATING IN THE COMMITTEE OF TWENTY TECHNICAL GROUP ESTABLISHED TO EXAMINE SPECIFIC PROPOSALS IN THIS REGARD.

IN VIEW OF THESE CONSIDERATIONS, BUT BEARING IN MIND THE EXCLUSIVE RESPONSIBILITY OF THE INTERNATIONAL MONETARY FUND AND ITS COMMITTEE OF TWENTY IN THESE

MATTERS, THE UNITED STATES HAS CHOSEN (TO ACQUIESCE TO THE PASSAGE OF THIS RESOLUTION BY CONSENSUS) (TO ABSTAIN ON THIS RESOLUTION). KISSINGER

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